

1 Katherine Vidal (SBN: 194971)
 kvidal@winston.com
 2 Kelly C. Hunsaker (SBN: 168307)
 KHunsaker@winston.com
 3 Eimeric Reig-Plessis (SBN: 321273)
 ereigplessis@winston.com
 4 Noorossadat Torabi (SBN 310124)
 ntorabi@winston.com
 5 WINSTON & STRAWN LLP
 6 275 Middlefield Road, Suite 205
 Menlo Park, CA 94025-1203
 7 Telephone: (650) 858-6500
 8 Facsimile: (650) 858-6550

9 Samantha M. Lerner (admitted *pro hac vice*)
 slerner@winston.com
 10 Karalena M. Guerrieri (admitted *pro hac vice*)
 kguerrieri@winston.com
 11 WINSTON & STRAWN LLP
 12 35 W. Wacker Drive
 Chicago, IL 60601
 13 Telephone: (312) 558-5600
 14 Facsimile: (312) 558-5700

15 David Paul Dalke (SBN: 218161)
 ddalke@winston.com
 16 WINSTON & STRAWN LLP
 333 S. Grand Avenue
 17 Los Angeles, California 90071-1543
 Telephone: (213) 615-1700
 18 Facsimile: (213) 615-1750

19 Attorneys for Defendant POLYCOM, INC.

20
 21 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA
 22 **SAN FRANCISCO DIVISION**

23 FullView, Inc., a Delaware Corporation,

24 Plaintiff,

25 v.

26 Polycom, Inc., a Delaware Corporation,

27 Defendant.

Case No. 3:18-cv-00510-EMC

**DEFENDANT POLYCOM, INC.'S NOTICE
 OF MOTIONS AND MOTIONS TO COMPEL
 AND FOR LEAVE TO AMEND ITS ANSWER
 AND INVALIDITY CONTENTIONS**

Date: November 18, 2021

Time: 1:30 PM

Place: Courtroom 5, 17th Floor

Judge: The Hon. Edward M. Chen

NOTICE OF MOTIONS AND MOTIONS

PLEASE TAKE NOTICE THAT at 1:30 PM on November 18, 2021, or as soon thereafter as this matter may be heard by the Honorable Edward M. Chen in Courtroom 5 of the above-entitled Court, Defendant Polycom, Inc. (“Polycom”) will, and hereby does, move the Court for an order compelling Plaintiff FullView, Inc. (“FullView”) to produce all documents in its possession or custody that comply with Patent Local Rules 3-2(a)-(b) by November 24, 2021; and an order granting leave under Federal Rule of Civil Procedure 15(a) to Polycom to amend its answer and counterclaims to assert that U.S. Patent No. 6,128,143 (“the ’143 Patent”) is unenforceable due to inequitable conduct before the U.S. Patent and Trademark Office (“Patent Office”), and to amend its invalidity contentions regarding the ’143 Patent to add a prior art device, a prior art article by Dr. Nalwa published in 1996 (“Nalwa 1996”), and contentions of invalidity due to on-sale bar and unenforceability due to inequitable conduct pursuant to Patent Local Rule 3-6.

These motions are based on this Notice of Motions and Motions, the accompanying memorandum of points and authority, the Declarations of Mr. Dalke, Mr. Keller, and Mr. Lutsch, filed concurrently herewith, and all other papers and arguments submitted in this matter and any matters of which the Court may take judicial notice.

RELIEF REQUESTED

Polycom asks the Court to compel FullView to comply with Patent Local Rules 3-2(a)-(b), and for leave to amend Polycom’s answer and counterclaims under Federal Rule of Civil Procedure 15(a), and Polycom’s invalidity contentions regarding the ’143 Patent pursuant to Patent Local Rule 3-6.

Dated: October 19, 2021

Respectfully submitted,

WINSTON & STRAWN LLP

By: /s/ Katherine Vidal

Katherine Vidal (CA SBN: 194971)

KVidal@winston.com

Kelly C. Hunsaker (SBN: 168307)

KHunsaker@winston.com

Eimeric Reig-Plessis (SBN: 321273)

ereigplessis@winston.com

Noorossadat Torabi (SBN 310124)
ntorabi@winston.com
WINSTON & STRAWN LLP
275 Middlefield Road, Suite 205
Menlo Park, CA 94025
Telephone: (650) 858-6500
Facsimile: (650) 858-6550

Samantha M. Lerner (admitted *pro hac vice*)
Karalena M. Guerrieri (admitted *pro hoc vice*)
SLerner@winston.com
WINSTON & STRAWN LLP
35 W. Wacker Drive
Chicago, IL 60601
Telephone: (312) 558-5600
Facsimile: (312) 558-5700

David Paul Dalke (SBN: 218161)
ddalke@winston.com
WINSTON & STRAWN LLP
333 S. Grand Avenue
Los Angeles, California 90071-1543
Telephone: (213) 615-1700
Facsimile: (213) 615-1750

Attorneys for Defendant
POLYCOM, INC.

TABLE OF CONTENTS

MEMORANDUM OF POINTS AND AUTHORITIES	1
INTRODUCTION	1
I. FACTUAL BACKGROUND.....	2
A. Procedural History	2
B. FullView Failed To Comply With Patent Local Rules 3-2(a)-(b)	3
C. Polycom’s Prior Diligent Searches For Prior Art	3
D. Polycom’s Discovery of a Prior Art Device, Nalwa 1996, and Inequitable Conduct	4
E. Dr. Nalwa’s Prior Sale and/or Offer to Sell Activities, On-Sale Bar and Related Inequitable Conduct	6
F. Polycom’s Diligence in Seeking Leave to Amend	7
II. LEGAL STANDARD.....	8
A. Requirements Under Patent Local Rules 3-2(a)-(b)	8
B. Amendment of Pleadings and Inequitable Conduct.....	8
C. Amendment of Invalidity Contentions.....	10
III. ARGUMENT.....	10
A. The Court Should Compel FullView To Comply With Patent Local Rules.....	11
B. Good Cause Supports Polycom’s Motion to Amend As Polycom Was Diligent in Discovering the Facts Underlying Its Proposed Amendments.	13
C. The Keller Device, Nalwa 1996, and Dr. Nalwa’s Prior Sale and/or Offer to Sell Activities Are Highly Relevant to the Invalidity of the ’143 Patent.....	16
D. Polycom’s Proposed Amended Answer and Counterclaims Are Made in Good Faith and Are Not Futile	20
E. FullView Will Not Be Prejudiced By Amendment of Polycom’s Contentions or Answer.	22
CONCLUSION.....	25

TABLE OF AUTHORITIES**Page(s)****Cases**

<i>Breville Pty Ltd. v. Storebound LLC</i> , Case No. 12-cv-01783-JST, 2013 WL 1758742 (N.D. Cal. Apr. 24, 2013)	21
<i>Coolsystems, Inc. v. Nice Recovery Systems LLC</i> , Case No. 16-cv-02958-PJH, 2016 WL 6091577 (N.D. Cal. Oct. 19, 2016)	22
<i>DCD Programs, Ltd. v. Leighton</i> , 833 F.2d 183 (9th Cir. 1987)	9
<i>Elec. Scripting Prod., Inc. v. HTC Am. Inc.</i> , No. 17-cv-05806-RS (RMI), 2021 WL 2530210 (N.D. Cal. June 21, 2021)	22
<i>Eminence Capital, LLC v. Aspeon, Inc.</i> , 316 F.3d 1048 (9th Cir. 2003)	9
<i>Exergen Corp. v. Wal-Mart Stores, Inc.</i> , 575 F.3d 1312 (Fed. Cir. 2009).....	9, 21, 22
<i>Facebook, Inc. v. BlackBerry Limited</i> , 2020 WL 864934 (N.D. Cal. Feb. 13, 2020)	24
<i>Foman v. Davis</i> , 371 U.S. 178 (1962).....	8
<i>Fujifilm Corp. v. Motorola Mobility LLC</i> , No. 12-cv-03587-WHO, 2014 WL 491745 (N.D. Cal. Feb. 5, 2014)	10, 13, 14, 16
<i>FullView, Inc. v. Polycom, Inc.</i> , No. 18-cv-00510-EMC, 2021 WL 1668017 (N.D. Cal. Apr. 28, 2021).....	10
<i>Golden Hour Data Sys., Inc. v. Health Servs. Integration, Inc.</i> , No. C 06-7477 SI, 2008 WL 2622794 (N.D. Cal. July 1, 2008)	10, 16, 24
<i>Halo Electronics, Inc. v. Bel Fuse Inc.</i> , 2010 WL 3489593 (N.D. Cal. Sept. 3, 2010)	14
<i>Hurn v. Ret. Fund Trust of Plumbing, Heating & Piping Indus. of S. California</i> , 648 F.2d 1252 (9th Cir. 1981)	9
<i>iLife Techs. Inc. v. AliphCom</i> , Case No. 14-cv-03345-WHO, 2015 WL 890347 (N.D. Cal. Feb. 19, 2015)	9, 21
<i>Illumina Inc. v. BGI Genomics Co.</i> , No. 20-cv-01465-WHO, 2021 WL 428632 (N.D. Cal. Feb. 8, 2021)	9, 21, 23

1	<i>Intri-Plex Techs., Inc. v. NHK Int'l Corp.</i> ,	
2	No. 15-cv-01097-EMC-EDL, 2019 WL 920206 (N.D. Cal. Jan. 15, 2019).....	24
3	<i>Jackson v. Bank of Haw.</i> ,	
4	902 F.2d 1385 (9th Cir. 1990)	23
5	<i>Kaplan v. Rose</i> ,	
6	49 F.3d 1363 (9th Cir. 1994)	22
7	<i>Karl Storz Endoscopy-Am., Inc. v. Stryker Corp.</i> ,	
8	No. 14-cv-00876-RS (JSC), 2016 WL 2855260 (N.D. Cal. May 13, 2016)	10
9	<i>Karl Storz Endoscopy-Am., Inc. v. Stryker Corp.</i> ,	
10	No. 14-cv-00876-RS (JSC), 2016 WL 7386136 (N.D. Cal. Dec. 21, 2016)	10
11	<i>Karl Storz Endoscopy-Am., Inc. v. Stryker Corp.</i> ,	
12	No. 14-cv-00876-RS (JSC), 2017 WL 3888869 (N.D. Cal. Apr. 17, 2017)	8, 11
13	<i>Leadsinger, Inc. v. BMG Music Publ'g</i> ,	
14	512 F.3d 522 (9th Cir. 2008)	9
15	<i>Lopez v. Smith</i> ,	
16	203 F.3d 1122 (9th Cir. 2000)	9
17	<i>Mead Johnson & Co. v. Premo Pharm. Labs, No. 75-1230</i> ,	
18	1980 WL 30332 (D.N.J. Sept. 11, 1980)	25
19	<i>Morongo Band of Mission Indians v. Rose</i> ,	
20	893 F.2d 1074 (9th Cir. 1990)	9
21	<i>Naranjo v. Bank of Am. Nat'l Ass'n</i> ,	
22	No. 14-cv-02748-LHK, 2015 WL 913031 (N.D. Cal. Feb. 27, 2015)	22
23	<i>Olympic Devs. AG, LLC v. Nintendo of Am., Inc</i>	
24	No. 11-cv-00329 SBA (NC), 2011 WL 13373814, at *3 (N.D. Cal. Dec. 20, 2011).....	8, 12
25	<i>OpenTV, Inc. v. Apple Inc.</i> ,	
26	No. 15-cv-02008-EJD (NC), 2016 WL 3196643 (N.D. Cal. June 9, 2016)	8, 11, 13
27	<i>Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.</i> ,	
28	324 U.S. 806 (1945).....	25
	<i>In re RAH Color Techs. LLC Pat. Litig.</i> ,	
	No. 18-MD-02874-SI, 2021 WL 1197478 (N.D. Cal. Mar. 30, 2021).....	23
	<i>THX, Ltd. v. Apple, Inc.</i> ,	
	No. 13-cv-01161-HSG, 2016 WL 1718137 (N.D. Cal. Apr. 29, 2016)	10, 16

Statutes

35 U.S.C. § 102.....5, 8, 12, 15, 20

Other Authorities

37 C.F.R. § 1.56.....20

Fed. R. Civ. P. 9(b)9, 21

Fed. R. Civ. P. 15.....8

Patent Local Rule 3-2..... *passim*

Patent Local Rule 3-6.....10, 13, 16

MEMORANDUM OF POINTS AND AUTHORITIES

INTRODUCTION

Less than a month ago, on September 22, 2021, Dr. Nalwa and FullView, *for the first time since prosecution of the '143 Patent commenced in 1998*, admitted that a key internal document relating to the '143 Patent (“Nalwa 1996” as further discussed below) was publicly disclosed prior to the '143 Patent’s critical date of August 28, 1997. Indeed, less than a month ago, Dr. Nalwa and FullView admitted under oath that “[t]housands of individuals worldwide became aware of the invention” between “1995–1998 and beyond” and “saw a prototype of the invention **or read the technical memorandum that described it.**” Ex. 1 at 4 (emphasis added). FullView cites the production numbers for Nalwa 1996 as the technical memorandum that we now know was publicly available, that described the invention, and was read by up to thousands of individuals.

Despite admitting under oath that Nalwa 1996 described the '143 Patent’s invention and having personal knowledge that Nalwa 1996 was publicly available prior to the priority date of the '143 Patent, Dr. Nalwa and FullView ***withheld this key document***, authored by Dr. Nalwa, ***from the Patent Office***. Dr. Nalwa and FullView ***withheld this key document***, when required to disclose it and relevant facts related to it, pursuant to this Court’s rules, ***from Polycom***. Indeed, instead of coming clean on their very own prior art of which there can be no doubt they were aware, Dr. Nalwa and FullView have reaped rewards from their misconduct licensing the '143 Patent both to Microsoft and then to Polycom and then bringing this suit to try to recover even more money from Polycom.

Despite years of benefitting from the fruits of their misconduct, FullView only disclosed the existence of this key evidence after they were emboldened by the fact that certain deadlines had passed in this case. FullView now asks this Court to elevate procedure over substance (and indeed justice) and allow FullView to escape the ramifications of its actions.

Since FullView and Dr. Nalwa withheld the reference and its public disclosure from the Patent Office, they committed fraud on the same and the '143 Patent should be held unenforceable. Further, FullView and Dr. Nalwa committed sanctionable conduct in this Court by continuing to withhold the reference and its public availability from Polycom. Polycom asks the Court to rectify the prejudice FullView is trying to create by allowing Polycom to proceed with invalidity and unenforceability

arguments in this Court. Because FullView already violated Patent Local Rules 3-2(a)-(b), Polycom further requests that the Court compel FullView to fully comply with Patent Local Rules 3-2(a)-(b) and produce all relevant documents in its possession or custody by November 24, 2021.

I. FACTUAL BACKGROUND

A. Procedural History

Although FullView filed this case in January 2018, the parties did not start fact discovery in earnest until August 2021. Soon after FullView filed the original complaint, the case was effectively stayed pending the Reexamination Proceedings related to the '711 Patent and pending *Inter Partes* Review Proceedings ("IPR") related to the '143 Patent. *See* Dkts. 16, 18, 24-27. The Court held its initial Case Management Conference following decision on the IPR in October 2019. Dkts. 43, 45. Between October 2019 and August 2021, the parties engaged in pleading stage motion practice, alternative dispute resolution, and claim construction related to the '143 Patent, all while adjusting and extending the existing case schedule to account for delays caused by the coronavirus pandemic. Indeed, for much of the time from October 2019 through August 2021, the parties intentionally and jointly refrained from engaging in fact discovery and other costly endeavors in order to pursue a resolution of the dispute. *See, e.g.*, Dkt. 76 ("The Parties have exchanged some documents for the purposes of narrowing the case and preparing for mediation. No other discovery has been taken to date."); Dkt. 90 (same); Dkt. 107 (same). Throughout the two years, the parties tried to narrow the claims in dispute, engaged two separate mediators, spoke with Mr. Lex Brainerd multiple times, and the attorneys spoke on countless occasions to try to devise creative resolutions to the case, including finding a way to accelerate FullView's appeal of the dismissal of the '711 Patent. It was only when all of these efforts failed that the parties agreed that they should move forward with a piecemeal approach to the litigation—addressing invalidity of the '143 Patent first and if necessary, moving on to damages.

At a Case Management Conference on August 10, 2021, the Court set a March 10, 2022 date to hear the parties' motions for summary judgment of invalidity and ordered the parties to work out a refined stipulated schedule, including fact discovery deadlines, expert reports and briefing. *See* Dkt. 154. The parties exchanged emails regarding an interim schedule but never reached an agreement.

1 Nonetheless the parties started fact discovery soon after the August 10, 2021 Case Management
 2 Conference. Polycom served its first set of interrogatories and document requests on August 23, 2021,
 3 and its second set of interrogatories and document requests on September 27, 2021. FullView served
 4 its first set of document requests on September 8, 2021.

5 At a subsequent Case Management Conference on October 12, 2021, the Court set a briefing
 6 schedule for Polycom’s instant motion and directed the parties to discuss interim deadlines related to
 7 fact and expert discovery while maintaining the March 10, 2022 hearing date. Dkt. 161.

8 **B. FullView Failed To Comply With Patent Local Rules 3-2(a)-(b)**

9 FullView served its disclosure of asserted claims and infringement contentions on March 2,
 10 2020. *See* Ex.¹ 11. Under Patent Local Rules 3-2(a)-(b), FullView was required to produce certain
 11 documents, including those sufficient to show “discussion with, disclosure to, or other manner of
 12 providing to a third party, or sale of or offer to sell . . . the claimed invention,” and “[a]ll documents
 13 evidencing the conception, reduction to practice, design, and development of each claimed invention,
 14 which were created on or before the date of application for the patent in suit.” In its March 2020
 15 disclosures, FullView represented that no document exists that fall under either section. *Id.* at 6. ***This***
 16 ***was false.*** As discussed below, FullView’s responses to Polycom’s interrogatories served months
 17 later, in September 2021, showed that documents within the scope of these rules did in fact exist, were
 18 available to be disclosed in March 2020, and yet were improperly withheld from production by
 19 FullView. *See* Ex. 1.

20 **C. Polycom’s Prior Diligent Searches For Prior Art**

21 Following FullView’s filing of the original complaint in the case, Polycom diligently searched
 22 for prior art related to the ’143 Patent. For example, Polycom’s counsel conducted prior art searches
 23 in September 2018 and in December 2018, including through internet searching, employing a prior art
 24 search firm, and consultation with a subject matter expert. Lutsch Decl. at ¶¶ 5-9. Specifically, in
 25 December 2018, Polycom’s counsel retained a professional prior art search firm and Dr. Stephen D.
 26 Fantone to further assist in finding relevant prior art. *Id.* at ¶¶ 7, 9. And, in June 2020, Polycom again

27 _____
 28 ¹ All references to “Ex. ____” refer to the exhibits attached to the Declaration of David P. Dalke in
 support of Polycom’s Motions, submitted concurrently herewith.

enlisted Dr. Fantone’s help in performing further prior art search in advance of submission of its invalidity contentions in August 2020. *Id.* at ¶ 10.

D. Polycom’s Discovery of a Prior Art Device, Nalwa 1996, and Inequitable Conduct

Following the Court’s August 10, 2021 order, Polycom began interviewing potential testifying expert witnesses to provide invalidity expert reports, deposition testimony, and, if necessary, trial testimony. One potential expert interviewed was Mr. Kurtis Keller, a research engineer in the Department of Computer Science at the University of North Carolina Chapel Hill. Keller Decl. at ¶ 1. Mr. Keller indicated that he had built a panoramic viewing device meeting all the limitations in the asserted claims of the ’143 Patent before the August 28, 1998 filing date of the application leading to the ’143 Patent.² *Id.* at ¶¶ 4-5. This prior art device was a joint venture among the University of North Carolina, Brown University, and the University of Utah. *Id.* at ¶ 4. Mr. Keller’s panoramic viewing device was operationally displayed on July 29, 1997 at the University of Utah, and a non-operational version was displayed August 3–8 1997 in Los Angeles, CA, at the ACM Siggraph convention attended by over 48,000 people. *Id.* at ¶ 7. Mr. Keller also provided Polycom’s counsel with a 1999 paper written by Majumder and others (“the Majumder article”), including a figure depicting Mr. Keller’s device. *Id.* at ¶ 11; *see also id.* Keller Exhibit E at 2. The Majumder article was not previously known to Polycom because it is dated after the priority date of the ’143 Patent, and therefore, it would not have been captured by Polycom’s various prior art search efforts.

The Majumder article also described other previously known panoramic viewing devices, including one developed by Dr. Vishvjit (“Vic”) Nalwa—the named inventor of the asserted ’143 Patent—described in a January 1996 technical memorandum (“Nalwa 1996”). *See id.* at 2, 8. Nalwa 1996 includes several figures that are substantially similar to the figures in the ’143 Patent, as well as a photograph of a prototype device that appears to meet all limitations of the asserted claims of the ’143 Patent. *See Ex. 5* at POLY00000956, 957, 959. For example, as described *infra* Section III.C, Nalwa 1996’s Figure 18 shows “[a] mirrored pyramid” that “was constructed” and includes

² In response to Polycom’s Interrogatory No. 1, FullView has asserted August 28, 1998 as the priority date for the asserted claims of the ’143 Patent. *See Ex. 1* at 4.

1 “individual mirrors of the pyramid [that] are of polished steel” in addition to “four cameras” that are
2 “all visible in Figure 18.” *Id.* The footer of Nalwa 1996 is stamped with a legend that reads, “Bell
3 Laboratories Technical Memorandum, BL0115500-960115-01, © 1996 Bell Labs.” Ex. 5.

4 Despite its obligation to do so, FullView never disclosed this 1996 memorandum to Polycom
5 in its disclosures as required by the Patent Local Rules 3-2(a)-(b), which would have alerted Polycom
6 that this seemingly internal memorandum had in fact been publicly disclosed to third parties. Instead,
7 FullView affirmatively represented that no document falling under the rules exists. *See* Ex. 11 at 6.
8 On its face, the 1996 memorandum appears to be an internal Bell Labs document. Indeed, nothing on
9 the face of Nalwa 1996 suggested that this Bell Labs Technical Memorandum was published outside
10 Bell Labs before August 28, 1997. *See, e.g.*, Ex. 10 at 2 (explaining how a different document “was
11 just a Bell Labs technical memorandum” that “was never published outside the laboratory.”)

12 Counsel for Polycom was aware that the 1996 Nalwa memorandum was published on
13 FullView’s website, but FullView’s website did not launch until 1999, *after* the ’143 Patent’s filing
14 date. There was no indication on the website or otherwise that the Nalwa 1996 memorandum was
15 publicly available *before* August 28, 1997 so as to qualify as prior art under Section 102(b) of the
16 Patent Act. *See* Dalke Decl. at ¶ 7. In addition, one of the prior art references Polycom cited in its
17 Invalidity Contentions is an article by Takahito Kawanishi, Kazumasa Yamazawa and others, titled
18 “Generation of High-resolution Stereo Panoramic Images by Omnidirectional Imaging Sensor Using
19 Hexagonal Pyramidal Mirrors,” presented at a conference held on August 17-18, 1998 (“Yamazawa
20 1998”). Ex. 9. Yamazawa 1998 cited to Nalwa 1996 in a footnote, indicating that Nalwa 1996 was
21 publicly available before August 1998 but did not evidence its public availability before the critical
22 date of August 28, 1997. Thus, before serving Polycom’s invalidity contentions regarding the ’143
23 Patent, counsel for Polycom diligently investigated and searched for evidence of whether Nalwa 1996
24 had been cataloged by a library before August 28, 1997 but was unable to find a library cataloged
25 version of the 1996 memorandum, which would have suggested that this technical memorandum was
26 available at a time when it would qualify as prior art. *Id.*

27 FullView, on the other hand, knew full well not only of Nalwa 1996 but of its public
28 availability before the ’143 Patent filing date. Instead of being forthright and abiding by this Court’s

1 rules, FullView represented that the document did not exist.

2 The Majumder article's reference to Nalwa 1996 led Polycom's counsel to revisit whether
3 Nalwa 1996 was publicly available before August 28, 1997. *Id.* at ¶ 8. After additional searching,
4 Polycom's counsel discovered U.S. Patent No. 5,760,826 to the named inventor Shree K. Nayer
5 ("Nayer '826 Patent"), citing and describing the contents of Nalwa 1996 before this critical date. *See*
6 Ex. 6. Despite public disclosure more than a year before his patent application was filed, Dr. Nalwa
7 did not disclose Nalwa 1996 to the Patent Office during the prosecution of the '143 Patent, just as
8 FullView did not disclose Nalwa 1996 to Polycom as required by Patent Local Rule 3-2.

9 **E. Dr. Nalwa's Prior Sale and/or Offer to Sell Activities, On-Sale Bar and Related**
10 **Inequitable Conduct**

11 Despite its obligation to do so pursuant to Patent Local Rule 3-2(a), FullView also did not
12 disclose other documents within its possession or custody evidencing discussions with, or disclosures
13 to a third party, or sale of, or offer to sell, the claimed invention before the '143 Patent's priority date.
14 Ex. 11 at 6. On September 22, 2021, FullView served its responses to Polycom's first set of
15 interrogatories. Ex. 1. Interrogatory No. 1, overlapping in scope with the Patent Local Rule 3-2(b),
16 asked FullView to describe in detail facts and circumstances surrounding the alleged conception and
17 actual reduction to practice (if any) of the claimed subject matter in each asserted claims of the '143
18 Patent. *Id.* at 3. In response, Dr. Nalwa stated, under oath, that "[t]housands of individuals worldwide
19 became aware of the invention" between "1995–1998 and beyond" and "saw a prototype of the
20 invention or read the technical memorandum that described it," i.e., Nalwa 1996, which was produced
21 to Polycom's counsel on the same day. *Id.* at 4; *see also* Dalke Decl., Ex. 8 (Nalwa 1996, produced
22 by FullView with Bates numbers FULLVIEW002004-34). FullView's responses thus confirmed
23 Nalwa 1996's public availability before August 28, 1997. Despite its misrepresentations to the Patent
24 Office and to Polycom, this is the first time Dr. Nalwa and FullView admitted that Nalwa 1996 was
25 publicly available before the critical date.

26 Additionally, in the same response on September 22, 2021, FullView admitted that several
27 individuals from around the world traveled to Holmdel, N.J., "to meet with the inventor and seek
28 business arrangements with him and his employer" during this same timeframe. Ex. 1 at 4. FullView's

1 responses thus indicated to Polycom for the first time that Dr. Nalwa engaged in prior sale and/or offer
 2 to sell activities that could invalidate the asserted claims of the '143 Patent. The Patent Local Rules
 3 required FullView to produce this information with its March 2020 disclosures, but FullView failed
 4 to do so. As a result of this belated disclosure, on September 27, 2021, Polycom served its second set
 5 of interrogatories and requests for documents to discover additional facts related to the “business
 6 arrangements” mentioned in FullView’s response to Polycom’s first set of interrogatories. Ex. 2.

7 **F. Polycom’s Diligence in Seeking Leave to Amend**

8 Had FullView made the disclosures required by Patent Local Rules 3-2(a) and (b) when it was
 9 required to do in March 2020, Polycom could have and would have included this information in its
 10 Invalidity Contentions in August 2020 and moved to amend its answer to add an inequitable conduct
 11 counterclaim. FullView’s failure to comply with its obligations under the Patent Local Rules hid
 12 crucial information and hampered Polycom’s ability to defend its case as to the Nalwa 1996
 13 memorandum, which did not appear in Polycom’s library searches and by all accounts appeared to be
 14 an internal Bell Labs memorandum that was later disclosed by FullView. As soon as the facts related
 15 to the prior art device and the public availability of Nalwa 1996 became known to and were confirmed
 16 by Polycom’s counsel, Polycom diligently provided the information to FullView’s counsel, and in a
 17 letter dated September 27, 2021, advised of its intent to move the Court to allow Polycom to amend
 18 its invalidity contentions and amend its answer to add a counterclaim alleging inequitable conduct and
 19 sought FullView’s consent. *See* Ex. 3. FullView responded on September 28, 2021, advising that it
 20 would oppose any Polycom motions and stated, among other things, that “[t]here is no disclosure or
 21 suggestion in Nalwa 1996 that is claimed in the '143 Patent.” Ex. 7. Beyond being inconsistent with
 22 the content of the 1996 memorandum itself and with Patent Local Rule 3-2(a), this statement flatly
 23 contradicts FullView’s Interrogatory Response No. 1, in which Dr. Nalwa stated, under oath, that
 24 “[t]housands of individuals worldwide became aware of the invention” between “1995–1998 and
 25 beyond” and **“saw a prototype of the invention or read the technical memorandum that described**
 26 **it,”** i.e., Nalwa 1996. Ex. 1 at 4 (emphasis added).

27 On September 30, 2021, Polycom requested a Case Management Conference, which was
 28 scheduled for October 12, 2021. Dkt. 158. During the conference, the Court set a briefing schedule

for Polycom’s instant motions, maintained the March 10, 2022 hearing date for summary judgment, and instructed the parties to propose interim deadlines for fact and expert discovery. Dkt. 161.

II. LEGAL STANDARD

A. Requirements Under Patent Local Rules 3-2(a)-(b)

Patent Local Rules 3–2(a)-(b) obligate the party asserting patent infringement to produce to defendant documents “sufficient to evidence each discussion with, disclosure to, or other manner of providing to a third party, or sale of or offer to sell, or any public use of, the claimed invention prior to the date of application for the patent in suit,” and “[a]ll documents evidencing the conception, reduction to practice, design, and development of each claimed invention, which were created on or before the date of application for the patent in suit.” Rule 3-2 rejects the idea that the patentee can withhold these centrally relevant documents by unilaterally claiming they do not practice the patent.³ The “spirit of the patent local rules [] is to ensure early crystallization of the parties’ theories, and specifically, to place the burden on the plaintiff to quickly decide on and disclose the contours of its case.” *OpenTV, Inc. v. Apple Inc.*, No. 15-cv-02008-EJD (NC), 2016 WL 3196643, at *3 (N.D. Cal. June 9, 2016). A patentee’s failure to comply with these local rules “is not a mere technicality,” when it would prejudice the accused infringer’s defenses in the matter. *See Karl Storz Endoscopy-Am., Inc. v. Stryker Corp.*, No. 14-cv-00876-RS (JSC), 2017 WL 3888869, at *2 (N.D. Cal. Apr. 17, 2017). The court may compel a patentee to produce documents that comply with Patent Local Rules 3–2(a)-(b). *See, e.g., Olympic Devs. AG, LLC v. Nintendo of Am., Inc.*, No. 11-CV-00329 SBA (NC), 2011 WL 13373814, at *3 (N.D. Cal. Dec. 20, 2011).

B. Amendment of Pleadings and Inequitable Conduct

Federal Rule of Civil Procedure 15(a) provides that a court “should freely give leave [to amend pleadings] when justice so requires.” Accordingly, the United States Supreme Court has stressed that, in the court’s discretion, leave should be “freely given” under Rule 15. *Foman v. Davis*, 371 U.S. 178, 182 (1962). The Ninth Circuit has further instructed that “the court must remain guided by the underlying purpose of Rule 15 to facilitate decision on the merits, rather than on the pleadings or

³ “A party’s production of a document as required herein shall not constitute an admission that such document evidences or is prior art under 35 U.S.C. § 102.” *See* Patent Local Rule 3-2(a).

technicalities.” *Lopez v. Smith*, 203 F.3d 1122, 1127 (9th Cir. 2000) (internal quotation marks and alterations omitted). Thus, leave to amend shall be denied only if allowing amendment would unduly prejudice the opposing party, cause undue delay, or be futile, or if the moving party has acted in bad faith. *Leadsinger, Inc. v. BMG Music Publ’g*, 512 F.3d 522, 532 (9th Cir. 2008).

“Absent prejudice, or a strong showing of any of the remaining factors, there exists a presumption under Rule 15(a) in favor of granting leave to amend.” *Eminence Capital, LLC v. Aspeon, Inc.*, 316 F.3d 1048, 1052 (9th Cir. 2003). The party opposing amendment bears the burden of showing prejudice. *DCD Programs, Ltd. v. Leighton*, 833 F.2d 183, 187 (9th Cir. 1987). The prejudice “must be substantial.” *Morongo Band of Mission Indians v. Rose*, 893 F.2d 1074, 1079 (9th Cir. 1990). “Bald assertions of prejudice cannot overcome the strong policy reflected in Rule 15(a) to ‘facilitate a proper disposition on the merits.’” *Hurn v. Ret. Fund Trust of Plumbing, Heating & Piping Indus. of S. California*, 648 F.2d 1252, 1254 (9th Cir. 1981).

To state a claim for inequitable conduct, a party must allege that “(1) an individual associated with the filing and prosecution of a patent application made an affirmative misrepresentation of a material fact, failed to disclose material information, or submitted false material information; and (2) the individual did so with a specific intent to deceive the PTO.” *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1327 n.3 (Fed. Cir. 2009) (internal citation omitted). Allegations of inequitable conduct must be pleaded with particularity pursuant to Federal Rule of Civil Procedure 9(b), which requires that the pleadings “identify the specific who, what, when, where, and how of the material misrepresentation or omission committed before the PTO.” *Id.* at 1328. At the pleading stage, an inference of deceptive intent must be reasonable and drawn from the allegations of underlying fact. *See Illumina Inc. v. BGI Genomics Co.*, No. 20-cv-01465-WHO, 2021 WL 428632, at *2 (N.D. Cal. Feb. 8, 2021) (granting defendant’s motion to add inequitable conduct claim to the case). To amend its pleadings, Polycom need not **prove** that inequitable conduct took place, only that the specifics have been adequately **pled**. *See id.* at *4; *see also iLife Techs. Inc. v. AliphCom*, Case No. 14-cv-03345-WHO, 2015 WL 890347, at *4 n.1 (N.D. Cal. Feb. 19, 2015) (“I decline to impose a standard that requires more than that set forth in *Exergen*, and will not apply *Therasense* at this stage of the proceedings.”).

1 C. Amendment of Invalidity Contentions

2 Patent Local Rule 3–6 applies in a patent infringement action. *FullView, Inc. v. Polycom, Inc.*,
 3 No. 18-cv-00510-EMC, 2021 WL 1668017, at *3 (N.D. Cal. Apr. 28, 2021). Under this rule,
 4 amendment of invalidity contentions “may be made only by order of the Court upon a timely showing
 5 of good cause.” The Rule provides one example of good cause that, absent undue prejudice, would
 6 support granting leave: “Recent discovery of material, prior art despite earlier diligent search.” *Id.*
 7 “In determining whether good cause exists, the Court considers (1) whether the moving party was
 8 diligent in moving to amend its contentions and (2) whether the non-moving party would suffer
 9 prejudice if leave to amend were granted.” *THX, Ltd. v. Apple, Inc.*, No. 13-CV-01161-HSG, 2016
 10 WL 1718137, at *2 (N.D. Cal. Apr. 29, 2016). The Court may also consider “the relevance of the
 11 newly-discovered prior art, whether the request to amend is motivated by gamesmanship, [and] the
 12 difficulty of locating the prior art.” *Id.* (quoting *Golden Hour Data Sys., Inc. v. Health Servs.*
 13 *Integration, Inc.*, No. C 06-7477 SI, 2008 WL 2622794, at *2 (N.D. Cal. July 1, 2008)).

14 Notably, Patent Local Rule 3–6 “does not require perfect diligence” to show good cause.
 15 *Fujifilm Corp. v. Motorola Mobility LLC*, No. 12-CV-03587-WHO, 2014 WL 491745, at *4 (N.D.
 16 Cal. Feb. 5, 2014) (granting leave to amend invalidity contentions eight months after discovery of the
 17 prior art). “Prejudice is typically found when amending contentions stand to disrupt the case schedule
 18 or other court orders.” *Karl Storz Endoscopy-Am., Inc. v. Stryker Corp.*, No. 14-CV-00876-RS (JSC),
 19 2016 WL 7386136, at *3 (N.D. Cal. Dec. 21, 2016). Courts have explained that the fact that the
 20 amendment will cause the non-moving party to perform more work than it would have to perform
 21 otherwise does not constitute prejudice. *See, e.g., Karl Storz Endoscopy-Am., Inc. v. Stryker Corp.*,
 22 No. 14-CV-00876-RS (JSC), 2016 WL 2855260, at *9 (N.D. Cal. May 13, 2016). A finding of no
 23 prejudice moots the Patent Local Rules’ concern of “sandbagging opponents late in the discovery
 24 period.” *Fujifilm*, 2014 WL 491745, at *6.

25 III. ARGUMENT

26 Polycom approached FullView and this Court as soon as it became aware of the bases for the
 27 amendments it currently seeks. Polycom has good cause to amend its invalidity contentions to add
 28 the prior art Keller Device, Nalwa 1996, and on-sale bar invalidity arguments due to its prior diligence

1 and FullView's failure to satisfy its obligations under the Patent Local Rules. Further, Polycom's
 2 proposed amendment to its answer to add a counterclaim of inequitable conduct would not be futile
 3 as Polycom can plead with particularity the elements of inequitable conduct. There is no prejudice to
 4 FullView resulting from these amendments. Indeed, FullView cannot argue prejudice because its *own*
 5 failure to comply with the local rules hid several facts underlying the instant motions until recently, at
 6 which point Polycom acted promptly to seek leave to amend both its answer and invalidity contentions.
 7 Further, FullView will not be prejudiced because Polycom's proposed amendments do not impact any
 8 Court ordered, or other agreed-to, deadlines.

9 **A. The Court Should Compel FullView To Comply With Patent Local Rules**

10 As an initial matter, underlying the facts here is FullView's failure to comply with the Patent
 11 Rules Local, which became apparent through Polycom's diligent investigation and FullView's recent
 12 interrogatory responses. The local rules "place the burden on the plaintiff to quickly decide on and
 13 disclose the contours of its case." *OpenTV*, 2016 WL 3196643, at *3. Further, documents falling
 14 within the scope of Patent Local Rules 3-2(a)-(b) are uniquely in plaintiff's possession. FullView was
 15 required to produce documents under Patent Local Rules 3-2(a)-(b) when it served its disclosure of
 16 asserted claims and infringement contentions in March 2020. Recent discovery, including FullView's
 17 responses to Polycom's first set of interrogatories, showed that FullView was in possession of such
 18 documents, directly contradicting FullView's representations in its March 2020 disclosures that no
 19 such documents exist.

20 FullView's failure to comply with these local rules "is not a mere technicality," because it
 21 prejudiced Polycom from earlier developing its defenses until its recent discovery of the facts that
 22 were uniquely in FullView's possession. *See Karl Storz Endoscopy-Am.*, 2017 WL 3888869, at *2.
 23 Parties are entitled to rely on the opposing side's compliance with the Patent Local Rules, and more
 24 particularly, the opposing side's affirmative representations under the Patent Local Rules. FullView
 25 should not be allowed to hide information and documents that it was obligated to produce early in the
 26 case under the Patent Local Rules, while affirmatively representing no such documents exist, only to
 27 produce them later in the case and argue it is too late for Polycom to cure the prejudice that FullView's
 28 belated production created. At the very least, FullView cannot argue prejudice now based on the

1 proposed amendments related to Nalwa 1996, the on-sale bar argument, and the inequitable conduct
 2 counterclaim, as FullView should have produced the related information and documents to Polycom
 3 in March 2020. FullView should not be able to commit fraud on the Patent Office and fraud on this
 4 Court and Polycom and escape the consequences by procedurally timing when it comes clean.

5 FullView has argued that Nalwa 1996 does not disclose all the elements of the asserted claims
 6 of the '143 Patent. *See* Dkt. 160 at 9. Further, during the meet and confer to discuss the issue of
 7 FullView's noncompliance with Local Rule 3-2(a) and (b), FullView's counsel again stated that it was
 8 FullView's position that the prototype in Nalwa 1996 is related only to the (now-dismissed) '711
 9 Patent and unrelated to the invention of the '143 Patent—a position which strains credulity when, as
 10 detailed *supra* Section III.C, the prototype described and pictured some (indeed, Polycom would argue
 11 all) of the limitations of the asserted claims of the '143 Patent. FullView's position is wrong. First,
 12 Polycom's interrogatories were limited to the '143 Patent as that is the only patent remaining in this
 13 case. Second, even if Nalwa 1996 were somehow only responsive to the dismissed '711 Patent, it still
 14 should have been disclosed under the Patent Local Rules when FullView served its infringement
 15 contentions.

16 In any event, FullView's belief does not excuse its failure to comply with the requirements set
 17 forth in the Patent Local Rules. In particular, Patent Local Rule 3-2(a) provides that “[a] party’s
 18 production of a document as required herein shall not constitute an admission that such document
 19 evidences or is prior art under 35 U.S.C. § 102.” Allowing FullView to decide what documents should
 20 be produced based on what FullView believes support or do not support Polycom's defenses and
 21 counterclaims would turn the Patent Local Rules as well as the Federal Rules of Civil Procedure on
 22 their head.

23 Further, only FullView knows what other relevant documents within the scope of Patent Local
 24 Rule 3-2(a)-(b) are in its possession and have been withheld. FullView's actions continue to prejudice
 25 Polycom and its ability to develop its defenses in this case. The Court should compel FullView to
 26 produce all documents that comply with Patent Local Rules 3–2(a)-(b), including documents
 27 responsive to Polycom's second set of discovery requests, by November 24, 2021. *See, e.g., Olympic*
 28 *Devs. AG*, 2011 WL 13373814, at *3.

1 The Courts in this district sanction a party who fails to comply with Patent Local Rules 3–2
 2 by, among other things, precluding it from relying on documents or evidence other than those timely
 3 disclosed pursuant to the local rules. *See, e.g., OpenTV*, 2016 WL 3196643, at *3. FullView should
 4 be precluded from relying on belatedly disclosed information that benefits it. Relatedly, FullView
 5 should not be allowed to refute belatedly disclosed information that harms it.

6 **B. Good Cause Supports Polycom’s Motion to Amend As Polycom Was Diligent in**
 7 **Discovering the Facts Underlying Its Proposed Amendments.**

8 Good cause support Polycom’s motion to amend as, notwithstanding FullView’s failures to
 9 disclose, Polycom was diligent in uncovering the public availability of Nalwa 1996, the grounds for
 10 on-sale bar defense theory, and the Keller Device—be it through fact discovery of FullView or prior
 11 art searching. Soon after discovering the Keller Device, public availability of Nalwa 1996 before
 12 August 1997, and grounds for the on-sale bar defense, Polycom notified FullView and this Court.

13 Patent Local Rule 3-6 notes that one example of good cause, absent undue prejudice, for leave
 14 to amend the contentions is the “[r]ecent discovery of material prior art despite earlier diligence.”
 15 Further, in determining good cause, the courts in this district consider the difficulty of locating prior
 16 art. *See, e.g., Fujifilm*, 2014 WL 491745, at *4. The courts in this district recognize that “identifying
 17 and evaluating prior art can be difficult, and new information learned in discovery can lead a party to
 18 understandably reevaluate evidence found earlier. Indeed, the Patent Local Rules specifically
 19 acknowledges the possibility that a party may need to supplement invalidity contentions with
 20 information found during discovery.” *Id.* (granting leave to amend invalidity contentions to assert five
 21 additional prior art references, the court finding that the accused infringer showed diligence in its
 22 efforts to find the references).

23 This Court’s decision in *Sunpower Corp. Sys. v. Sunlink Corp.* granting defendant’s leave to
 24 amend the invalidity contentions is instructive. 2009 WL 1657987 (N.D. Cal. June 12, 2009). In
 25 *Sunpower*, the Court found the defendants adequately showed diligence with respect to certain prior
 26 art “assemblies or installations,” as they only discovered these references recently despite earlier
 27 diligent search. *Id.* at *2. The Court noted that “assemblies or installations are prior art references
 28 that are difficult to find. There is no database to assist in the search for this kind of prior art; rather,

1 the prior art may be found largely by ‘pounding the pavement.’” *Id.*

2 Similarly, the court in *GeoTag, Inc. v. Zoosk, Inc.*, granted defendant’s leave to supplement
 3 invalidity contentions to add five prior-art systems. 2013 WL 4427430, *2-*3 (N.D. Cal. Aug. 15,
 4 2013). The court found that the accused infringers showed sufficient diligence as the prior art was not
 5 in their physical possession. *Id.*, see also *Halo Electronics, Inc. v. Bel Fuse Inc.*, 2010 WL 3489593
 6 (N.D. Cal. Sept. 3, 2010) (granting leave to amend invalidity contentions to allege four additional
 7 items of prior art (including four devices and alleged on-sale activity of the patentee) in part because
 8 that these prior art references could not have been located through a typical search).

9 First, as described above in Section I.C, Polycom was diligent in searching for relevant prior
 10 art before August 31, 2020, when Polycom served its invalidity contentions with respect to the ’143
 11 Patent by performing internet searches for prior art, engaging a prior art search firm, and working with
 12 a subject matter expert. See Lutsch Decl. at ¶¶ 5-10. Despite this diligence, it was not until August
 13 26, 2021, when Polycom discovered Mr. Keller’s prior art device when searching for potential expert
 14 witnesses to retain in this case. See Dalke Decl. at ¶¶ 2-4; Keller Decl. at ¶¶ 2-5. This is because a
 15 device—even a device on public display—is unlikely to be uncovered by a prior art search firm who
 16 would be targeting publications and patents. Thus, given the difficulties of discovering prior art
 17 devices such as the prior art device here, Polycom acted diligently in uncovering Mr. Keller’s prior art
 18 device.

19 Second, Polycom was diligent in that it served written discovery requests as soon as the parties
 20 entered into formal discovery that sought information relevant to Nalwa 1996 and prior sale, even
 21 though this information should have been produced by FullView in March 2020. Indeed, beyond the
 22 Keller Device, the remaining facts underlying Polycom’s proposed amendments, including Nalwa
 23 1996’s public availability before the August 1997 critical date and the offers for sale, were uniquely
 24 in FullView’s possession and should have been produced to Polycom months ago pursuant to Patent
 25 Local Rules 3-2(a)-(b). It was not until Polycom served formal discovery in August 2021, once the
 26 parties had reached an impasse as to settlement and moved forward with the case in earnest, and
 27 FullView provided its response in September 2021 that Polycom discovered evidence of Dr. Nalwa’s
 28 on-sale bar activities related to the alleged invention claimed in the asserted claims of the ’143 Patent.

1 Polycom served two additional interrogatories and requests for production to gather further evidence
 2 related to Dr. Nalwa's "business arrangements" prior to the critical date that implicate the on-sale bar.
 3 As explained above, the Court should compel FullView to produce the requested discovery as any
 4 delay would further prejudice Polycom.

5 Third, despite FullView's failure to comply with local rules, and its affirmative representations
 6 that no document within the scope of Patent Local Rules 3-2(a)-(b) exists, Polycom diligently
 7 investigated whether Nalwa 1996 was publicly available before the critical date prior to serving its
 8 invalidity contentions. *See Dalke Decl.* at ¶ 7. The evidence indicated that Nalwa 1996 was available
 9 in 1998 per the Yamazawa article and in 1999 on the FullView website, but there was no indication
 10 that Nalwa 1996 was publicly available before the August 1997 critical date.⁴ Availability in 1998
 11 and 1999 was not sufficient for Nalwa 1996 to qualify as prior art because under Sections 102(a) and
 12 102(b) of the Patent Act, disclosures by the inventor must be available more than one year before the
 13 effective filing date of the claimed invention. Indeed, Nalwa 1996 did not suggest on its face that it
 14 was publicly available before the critical date because it was designated a Technical Memorandum
 15 and contained a specific internal Bell Labs numbering system. Nonetheless, counsel for Polycom
 16 investigated whether Nalwa 1996 had been cataloged in a library by August 28, 1997. *Id.* Counsel
 17 for Polycom was unable to find such library cataloged version of Nalwa 1996. *Id.*

18 As noted above, the Majumder article, published in 1999, provided by Mr. Keller, led
 19 Polycom's counsel to reevaluate Nalwa 1996's public availability once again as the Majumder article
 20 cites to Nalwa 1996. *Id.* at ¶ 8. Counsel for Polycom searched the Internet, including the Semantic
 21 Scholar and Google Scholar databases to see whether Nalwa 1996 had been publicly disclosed and/or
 22 cited in other publications prior to August 28, 1997. *Id.* Through this search, Polycom's counsel
 23 discovered the Nayer '826 Patent, which issued on June 2, 1998 but was filed on May 10, 1996. *Id.*
 24 at ¶ 8; *see also* Ex. 6. Importantly, the specification of the Nayer '826 Patent cites and describes the
 25 contents of Nalwa 1996 before the critical date of the '143 Patent, *see* Ex. 6, strongly suggesting that

26 ⁴ FullView has argued that Polycom should have known about Nalwa 1996 because it was cited in the
 27 Yamazawa 1998 article Polycom cited in its invalidity contentions. Regardless of whether Nalwa
 28 1996 was cited in Yamazawa or other papers that published in 1998 does not insulate or excuse
 FullView's failure to comply with the Patent Local Rules.

1 Nalwa 1996 was 102(b) prior art to the '143 Patent. That Polycom's counsel only recently found
 2 evidence that Nalwa 1996 is 102(b) prior art does not detract from its diligence. *See, e.g., Fujifilm*,
 3 2014 WL 491745, at *4 (Patent Local Rule 3–6 “does not require perfect diligence”). It was
 4 FullView's failure to comply with the Patent Local Rules that delayed discovery of the relevant facts
 5 regarding public availability of Nalwa 1996 before the critical date. It was only in FullView's
 6 September 22, 2021 interrogatory responses that FullView identified Nalwa 1996 and confirmed its
 7 prior art status.

8 Soon after confirming these relevant facts, Polycom notified FullView of its intent to move the
 9 Court to allow Polycom to amend its invalidity contentions and amend its answer to add a counterclaim
 10 alleging inequitable conduct based on Dr. Nalwa's failure to disclose Nalwa 1996 to the Patent Office
 11 during the prosecution of the '143 Patent. *See Dalke Decl.* at ¶ 11.

12 In sum, Polycom's motion to amend is made with good cause as Polycom was diligent in
 13 uncovering the facts underlying its proposed amendments and discovered the facts related to Nalwa
 14 1996, prior sale or offer to sell activities, and the inequitable conduct, despite FullView's attempt to
 15 hide these facts until recently.

16 **C. The Keller Device, Nalwa 1996, and Dr. Nalwa's Prior Sale and/or Offer to Sell**
 17 **Activities Are Highly Relevant to the Invalidity of the '143 Patent.**

18 The Keller Device, Nalwa 1996, and Dr. Nalwa's prior sale and/or offer to sell activities are
 19 highly relevant to the invalidity of the '143 Patent. In determining good cause, the Court may also
 20 consider “the relevance of the newly-discovered prior art....” *THX, Ltd.*, 2016 WL 1718137, at *2
 21 (quoting *Golden Hour Data Sys., Inc. v. Health Servs. Integration, Inc.*, No. C 06-7477 SI, 2008 WL
 22 2622794, at *2 (N.D. Cal. July 1, 2008)). The prior art is relevant because it consists of an invalidating
 23 device, meeting all limitations of the '143 patent, by another as well as the description of a “prototype”
 24 from the inventor himself.

25 First, with regard to the Keller Device, by the middle of 1997, researchers at Brown University,
 26 the University of Utah and the University of North Carolina collaborated to develop a wide field of
 27 view, high resolution video camera cluster, which meets the limitations of the '143 Patent. Keller
 28 Decl. at ¶¶ 8-9; *see also id.* Keller Exhibits B-C. In July 1997, the group—which included Dr. Henry

1 Fuchs—published a webpage describing the camera’s design, which “will use six conventional
 2 cameras in a single cluster to construct an image with a 180×80 degree field of view, with six times
 3 the resolution of a single camera. *Id.* Keller Exhibits B-C. The group explained that the “device will
 4 be used to capture high resolution images for 3D scene reconstruction as well as for conventional
 5 televideo systems.” *Id.* The group recognized that the “technical challenge in developing such a
 6 cluster lies in the difficulty of properly merging all the views into a seamless whole,” which “can only
 7 be achieved by optically arranging all the cameras to have the same center of projection.” *Id.* By
 8 September 1997, the “camera cluster with a single center of projection” had been disclosed to the
 9 Office of the General Counsel at the University of North Carolina for patentability review. Keller
 10 Decl. at ¶ 6; *see id.* Keller Exhibit A. Importantly, the invention disclosure indicates that the camera
 11 cluster was conceived of on February 20, 1997 and reduced to practice on July 14, 1997. *Id.* at ¶ 6.
 12 Further, the Report of Invention indicates that the camera was operationally displayed on July 29,
 13 1997 at the University of Utah, and a non-operational version was displayed August 3–8 1997 in Los
 14 Angeles, CA. *Id.* at ¶ 7.

15 In 1999, Dr. Fuchs’s group published a paper describing their “camera cluster” which was
 16 “built from multiple cameras to simulate a virtual camera with 360 degree horizontal field of view and
 17 a 90 degree vertical field of view.” *Id.* Keller Exhibit E at 2. Notably, Figure 2 of the Majumder
 18 article “shows a CAD design of the geometry next to a photograph of the implemented system.”

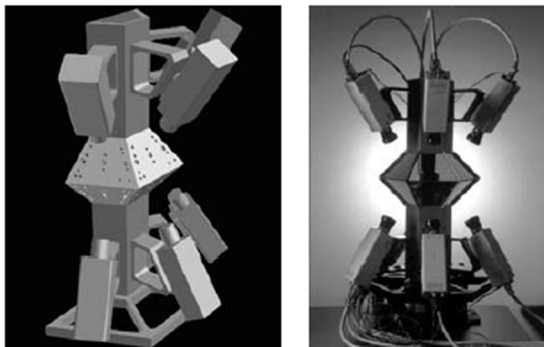
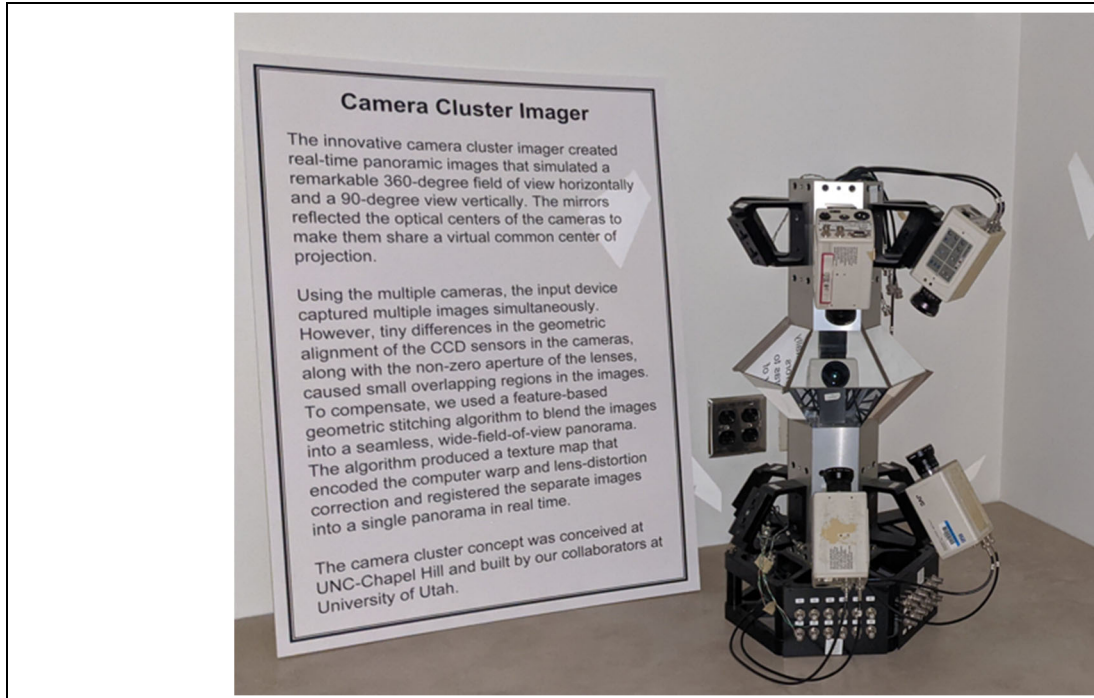


Figure 2: One side of the Camera Cluster

19
 20
 21
 22
 23
 24
 25
 26
 27 *Id.* The camera cluster described in the Majumder article was conceived of at the University of North
 28 Carolina, built by collaborators at the University of Utah and has been on public display at the

University of North Carolina in the museum at the Department of Computer Science since 2008. *Id.* at ¶¶ 4, 6, 12. A photograph of the actual device on display is shown below. *See also id.* Keller Exhibit F.



The camera cluster, the Keller Device, meets every limitation of asserted claims 10–12 of the '143 Patent as described in detail in Polycom's proposed amended invalidity contentions attached here as Exs. 14 (redlined) and 15 (clean version), and as such is highly relevant to the invalidity of the '143 Patent.

Second, Nalwa 1996 is highly relevant to the invalidity of the '143 Patent as it is at best anticipating of '143 Patent and at worst renders it invalid for obviousness. Nalwa 1996 describes “design of a true omni-directional camera: a camera that can capture, at any instant, a 360° view of a scene effectively from a single viewpoint.” *See* Ex. 5 at 2. Further, Nalwa 1996 indicates that the “design [] has been implemented.” *Id.* at 3. More particularly, Nalwa 1996 explains that the “design ... consists of a mirrored n -sided pyramid with a pinhole camera looking off each side of the pyramid such that the mirror image of every pinhole (in the mirror the pinhole looks off) lies at the same location in space.” *Id.* at 6. Notably, Nalwa 1996's Figure 18 shows “[a] mirrored pyramid” that “was constructed” and includes “individual mirrors of the pyramid are of polished steel” in addition to “four

cameras” that are “all visible in Figure 18.” *Id.* Figure 18 is reproduced below:

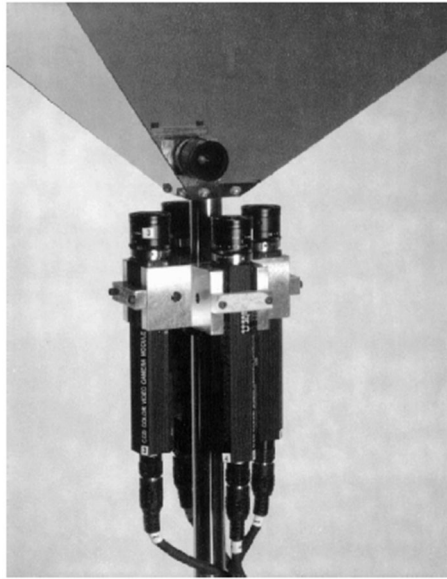
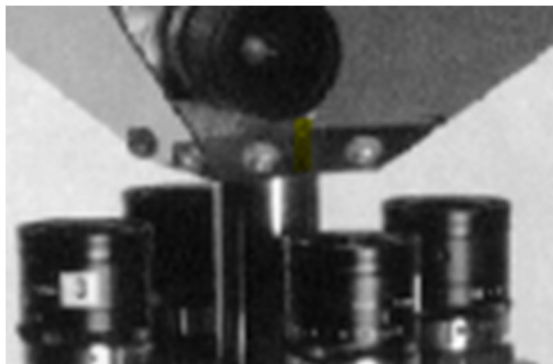


Figure 18 Photograph of implemented mirrored pyramid with attached CCD cameras.

The photograph depicts a “panoramic viewing apparatus” having a “plurality of image processing devices,” *i.e.*, CCD cameras, “a pyramid shaped element having a plurality of reflective side facets” and “a support member intersecting an inner volume of the pyramid shaped element, the pyramid shaped element being secured to the support member and the plurality of the image processing devices being secured to the support member” as required by claim 10 of the ’143 Patent. *See* ’143 Patent at 16:20–34. Below is a close-up of a portion of Nalwa Figure 18 suggesting that the pyramid shaped element is attached or fastened to a support member that intersects an inner volume of the pyramid shaped element.



Moreover, even if FullView is successful in arguing that the implemented design shown in Figure 18 does not anticipate claim 10 of the '143 Patent, Nalwa 1996 at the very least would render obvious the apparatus claimed in the asserted claims of the '143 Patent. Accordingly, Nalwa 1996 easily meets the materiality standard set forth in 37 C.F.R. § 1.56 and should have been disclosed to the Patent Office during prosecution of the application leading to the '143 Patent.

Finally, Dr. Nalwa's prior sale and/or offer to sell activities are also highly relevant to the invalidity of the asserted claims of the '143 Patent. As discussed above, FullView recently admitted in its response to Polycom's interrogatory that between "1995-1998 and beyond," "[t]housands of individuals worldwide became aware of the invention in that period, several traveling to Holmdel, including from the San Francisco Bay Area and later from Japan and Germany, to meet with the inventor and seek business arrangements with him and his employer." Ex. 1 at 4. Polycom discovered these "business arrangements" occurred only after FullView served its responses on September 22, 2021, despite FullView's obligation to produce this information in March 2020 along with its disclosure of asserted claims and infringement contentions. Given FullView's failure to comply with the Patent Local Rules, Polycom served additional discovery requests to gather additional facts regarding these "business arrangement." Ex. 2. Polycom deserves the opportunity to show any such "business arrangement" that happened before August 28, 1997 run afoul of the on-sale bar to patentability provided in Section 102(b) of the Patent Act.

D. Polycom's Proposed Amended Answer and Counterclaims Are Made in Good Faith and Are Not Futile

Polycom's proposed amendments to its answer and counterclaims are made in good faith and are not futile, as is evidenced by the detailed proposed pleadings that set out inequitable conduct with the requisite particularity. Polycom has adequately alleged "the specific who, what, when, where, and how of the material misrepresentation or omission committed before the PTO" as required under Rule 9(b). See *Illumina*, 2021 WL 428632, at *3 (citing *Exergen*, 575 F.3d at 1328).

Polycom pleads that Dr. Nalwa, the named inventor of the '143 Patent who had a duty of candor as an inventor who was substantively involved in the prosecution of the application leading to the '143 Patent, did not disclose Nalwa 1996 as relevant prior art to the Patent Office at any point

1 during the prosecution of the application leading to the '143 Patent or the subsequent post-grant
 2 proceedings. *See* Dalke Decl., Exs. 12, 13 ¶¶ 11-15, 20-49. Polycom also pleads specific facts to
 3 support its claim that Dr. Nalwa is the author of Nalwa 1996, as well as the sole named inventor of the
 4 '143 Patent, that Dr. Nalwa knew when Nalwa 1996 was published, and that it “described” the subject
 5 matter disclosed and claimed in the '143 Patent. *Id.* at ¶¶ 20, 44-45. Polycom further pleads that
 6 Nalwa 1996 is material and that the Patent Office would not have allowed the asserted claims had it
 7 been aware of Nalwa 1996. *Id.* at ¶¶ 25-39.⁵

8 Polycom has also adequately pleaded facts regarding Dr. Nalwa’s intent to deceive the Patent
 9 Office. “A reasonable inference [of specific intent] is one that is plausible and that flows logically
 10 from the facts alleged, including any objective indications of candor and good faith.” *Exergen*, 575
 11 F.3d at 1329 n.5. Polycom’s alleged facts include that Dr. Nalwa did not disclose Nalwa 1996 to the
 12 Patent Office during the prosecution of the application leading to the '143 Patent, or after the '143
 13 Patent issued. *Id.* at ¶ 48. Taken together with the facts that Dr. Nalwa was aware of Nalwa 1996 and
 14 its status as prior art, Polycom has sufficiently alleged facts from which it could reasonably be inferred
 15 that that Dr. Nalwa had the requisite specific intent to deceive the Patent Office. *See Illumina*, 2021
 16 WL 428632, at *4 (specific intent adequately pleaded when defendant alleged that patentee borrowed
 17 two specific methodologies that were key to creating the claimed inventions, did not make clear to the
 18 patent examiner that these methodologies had been adopted from two prior art references, and did not
 19 disclose one of the references at all as prior art); *Coolsystems, Inc. v. Nice Recovery Systems LLC*,
 20 Case No. 16-cv-02958-PJH, 2016 WL 6091577, *4 (N.D. Cal. Oct. 19, 2016) (specific intent
 21 adequately pleaded where defendant alleged that relevant prior art – which was allegedly virtually
 22 identical to claimed invention - was “buried” on 8th page of a list of 176 other minimally relevant
 23

24 ⁵ Courts in this district have declined to engage in a technical and fact-specific materiality inquiry,
 25 including whether the allegedly withheld prior art is cumulative of other prior art disclosed to the
 26 patent examiner. *See Illumina*, 2021 WL 428632, at *5; *iLife Techs.*, 2015 WL 890347, at *6 (N.D.
 27 Cal. Feb. 19, 2015) (concluding that “an analysis of the European references’ materiality as prior art
 28 is not appropriate at this stage”); *see also Breville Pty Ltd. v. Storebound LLC*, Case No. 12-cv-01783-
 JST, 2013 WL 1758742, at *6 (N.D. Cal. Apr. 24, 2013) (“The Court does not read *Exergen* as
 requiring a court to determine, on the face of the pleadings, whether the allegedly missing material is
 in fact material and not cumulative.”).

1 references).

2 Polycom's amended pleadings—which encompass an additional 39 paragraphs setting forth
3 these allegations in details—provide more than sufficient particularity to establish the “who, what,
4 when, where, and how” for the instances of inequitable conduct alleged in the Polycom's proposed
5 amended pleadings. *Exergen*, 575 F.3d at 1328. Therefore, the proposed amendments are not futile
6 and have been made in good faith based on the recent discovery and disclosure of the public
7 availability of Nalwa 1996 before August 1997.

8 **E. FullView Will Not Be Prejudiced By Amendment of Polycom's Contentions or**
9 **Answer.**

10 FullView cannot identify any cognizable prejudice that would result from Polycom's
11 amendment of its answer and invalidity contentions at this stage of the proceeding. First, FullView
12 will suffer no prejudice from these proposed amendments given that FullView, through its President
13 and CEO, Dr. Nalwa, knew of the facts underlying Polycom's proposed amendments related to Nalwa
14 1996, the on-sale bar argument, and the inequitable conduct claim, and should have anticipated that
15 these amendments would be forthcoming. *See Elec. Scripting Prod., Inc. v. HTC Am. Inc.*, No. 17-
16 cv-05806-RS (RMI), 2021 WL 2530210, at *3 (N.D. Cal. June 21, 2021). Indeed, FullView's failure
17 to comply with the local rules to produce these facts earlier in the case prejudiced Polycom by
18 preventing it from developing its defenses earlier in the case.

19 Further, there is no prejudice as “this is not a case where the ‘parties have engaged in
20 voluminous and protracted discovery’” prior to Polycom's proposed amendments. *Naranjo v. Bank*
21 *of Am. Nat'l Ass'n*, No. 14-cv-02748-LHK, 2015 WL 913031, at *4 (N.D. Cal. Feb. 27, 2015) (quoting
22 *Kaplan v. Rose*, 49 F.3d 1363, 1370 (9th Cir. 1994)). While FullView filed this case in January 2018,
23 the parties did not start fact discovery in the earnest until August 2021 when they reached an impasse
24 as to settlement discussion. Soon after FullView filed the original complaint, the case was stayed
25 pending the Reexamination Proceedings related to the '711 Patent. Dkt. 16. The Court held its first
26 Case Management Conference following the stay in October 2019. Dkts. 43, 45. Between October
27 2019 and August 2021, the parties engaged in pleading stage motion practice, alternative dispute
28 resolution, and claim construction related to the '143 Patent. The parties had intentionally refrained

1 from pursuing formal discovery and other expenditures that could be avoided during the course of
 2 their various settlement discussions and attempts at mediation until the parties reported their impasse
 3 to the Court in August 2021.

4 Nor will Polycom's proposed amendments lead to the nullification of prior discovery, *compare*
 5 *Jackson v. Bank of Haw.*, 902 F.2d 1385, 1387–88 (9th Cir. 1990), or render moot or otherwise impact
 6 any substantive motion filed by FullView. *See Yodlee*, 2007 WL 1454259, at *3. Further, the Court
 7 has not yet set a trial date, and Polycom's motions do not impact any Court ordered deadline or any
 8 other agreed-to deadlines. *In re RAH Color Techs. LLC Pat. Litig.*, No. 18-MD-02874-SI, 2021 WL
 9 1197478, at *3 (N.D. Cal. Mar. 30, 2021). Further, the '143 Patent expired on August 28, 2018, and
 10 thus there is no prejudice to FullView because there are no ongoing damages.

11 While allowing Polycom to add its proposed inequitable conduct defense and counterclaim
 12 and to add Mr. Keller's prior art device, Nalwa 1996 and an on-sale bar argument to its invalidity
 13 contentions may result in additional costs to FullView, and possibly additional discovery, courts in
 14 this district have held these potential costs are not unduly burdensome or prejudicial. *See, e.g.,*
 15 *Illumina Inc. v. BGI Genomics Co.*, 2021 WL 428632, at *3. Similarly, there is no prejudice to
 16 FullView resulting from Polycom's addition of the prior art device to its invalidity contentions. The
 17 prior art device "will likely be addressed, primarily, during the expert discovery process," and
 18 FullView will have sufficient time prior to the close of expert discovery to investigate the prior art
 19 device. *See Sunpower* 2009 WL 1657987 at *3 (finding no prejudice to plaintiff that would result
 20 from defendants' amended invalidity contentions in part because plaintiff had "sufficient time prior to
 21 the close of discovery [] to investigate the [added] prior art references.")

22 FullView cannot argue that it has been prejudiced simply because claim construction has taken
 23 place. The Court adopted FullView's construction for the one of the two terms in dispute, "pyramid
 24 shaped element," while adopting Polycom's construction for the other term, "inner volume [of the
 25 pyramid shaped element]". *See* Dkt. No. 142 at 1-2; Dkt. No. 137 at 7. FullView cannot identify any
 26 specific prejudice regarding the proposed amendments in relation to the claim construction
 27 proceedings. *See Facebook, Inc. v. BlackBerry Limited*, 2020 WL 864934, at *10 (N.D. Cal. Feb. 13,
 28 2020) (rejecting plaintiff's conclusory assertion of prejudice); *see also Intri-Plex Techs., Inc. v. NHK*

1 *Int'l Corp.*, No. 15-CV-01097-EMC-EDL, 2019 WL 920206, at *7 (N.D. Cal. Jan. 15, 2019) (rejecting
 2 plaintiff's argument that prejudice existed because the supplemental "invalidity grounds were not
 3 raised in the course of the claim construction proceedings," where plaintiff failed to "articulate how
 4 the prior art references" defendants sought "to add would have changed those proceedings"), *report*
 5 *and recommendation adopted*, 2019 WL 917059 (N.D. Cal. Feb. 25, 2019).

6 Even though the Patent Local Rules reflect a more conservative approach to amendment than
 7 the liberal policy for amending pleadings, the rationale for that conservative approach is not threatened
 8 here. The Patent Local Rules were designed, among other reasons, to prevent the parties from shifting
 9 their theories late in discovery, leaving the opposing party with little time to conduct discovery on a
 10 new theory. *See O2 Micro*, 467 F.3d at 1365. Polycom's amended contentions are based principally
 11 on the information Polycom discovered after it started interviewing expert witnesses, and information
 12 FullView should have disclosed, but failed to disclose, months ago. Further, FullView would have
 13 ample time to conduct fact and expert discovery related to Polycom's proposed amendments. *Golden*
 14 *Hour Data Sys., Inc. v. Health Servs. Integration, Inc.* is instructive. No. C 06-7477 SI, 2008 WL
 15 2622794 (N.D. Cal. July 1, 2008) (finding no prejudice and granting defendant's motion for leave to
 16 amend its answer and invalidity contentions). FullView cannot identify any prejudice—let alone
 17 undue prejudice—that would result from Polycom's proposed amendments.

18 Polycom, on the other hand, will suffer severe prejudice if the Court denies leave to amend.
 19 Such a denial would hinder Polycom's ability to present all legally relevant arguments in response to
 20 FullView's infringement claims. Inclusion of Polycom's inequitable conduct defense and its invalidity
 21 arguments based on the prior art device, Nalwa 1996, and the on-sale bar are critical to a full and fair
 22 adjudication of FullView's infringement claims. Moreover, the public has a "paramount interest in
 23 seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct."
 24 *Mead Johnson & Co. v. Premo Pharm. Labs*, No. 75-1230, 1980 WL 30332, at *46 (D.N.J. Sept. 11,
 25 1980) (citing *Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.*, 324 U.S. 806, 815–16 (1945)).
 26 Further, FullView would then be allowed to benefit twice from failure to disclose Nalwa 1996—once
 27 to the Patent Office and a second time when it should have been disclosed to Polycom with FullView's
 28 infringement contentions. Thus, Polycom should be permitted the opportunity to pursue this defense

and counterclaim by amending its pleadings, as well as pursuing its invalidity arguments based on the prior art device, Nalwa 1996, and the on-sale bar by amending its invalidity contentions.

CONCLUSION

For the foregoing reasons, Polycom has shown good cause and respectfully requests that the Court grants it leave to amend its invalidity contentions regarding the '143 Patent to add the prior art device and Nalwa 1996 as prior art references and claim charts to show the prior art device and Nalwa 1996 anticipate and/or render obvious claims 10-12 of the '143 Patent, and to add contentions of invalidity due to on-sale bar and unenforceability due to inequitable conduct. Polycom also requests that the Court grants it leave to amend its answer and counterclaims to add an affirmative defense and counterclaim of inequitable conduct. Further, Polycom requests that the Court compel FullView to fully comply with Patent Local Rules 3-2(a)-(b) and produce all relevant documents in its possession or custody by November 24, 2021.

Dated: October 19, 2021

WINSTON & STRAWN LLP

By: /s/ Katherine Vidal

Katherine Vidal (CA SBN: 194971)

KVidal@winston.com

Kelly C. Hunsaker (SBN: 168307)

KHunsaker@winston.com

Eimeric Reig-Plessis (SBN: 321273)

ereigplessis@winston.com

Noorossadat Torabi (SBN 310124)

ntorabi@winston.com

WINSTON & STRAWN LLP

275 Middlefield Road, Suite 205

Menlo Park, CA 94025

Telephone: (650) 858-6500

Facsimile: (650) 858-6550

Samantha M. Lerner (admitted *pro hac vice*)

Karalena M. Guerrieri (admitted *pro hoc vice*)

SLerner@winston.com

WINSTON & STRAWN LLP

35 W. Wacker Drive

Chicago, IL 60601

Telephone: (312) 558-5600

Facsimile: (312) 558-5700

David Paul Dalke (SBN: 218161)

1 ddalke@winston.com
2 WINSTON & STRAWN LLP
3 333 S. Grand Avenue
4 Los Angeles, California 90071-1543
5 Telephone: (213) 615-1700
6 Facsimile: (213) 615-1750

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
Attorneys for Defendant
POLYCOM, INC.